

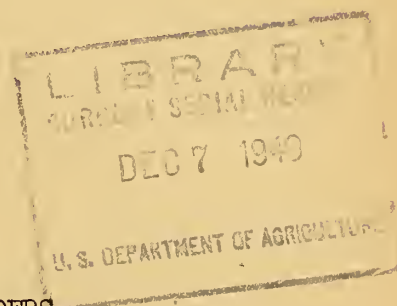
Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

1.9422
D8506

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
DAIRY BRANCH

INSERTS
for
SUMMARIES
of
FLUID MILK MARKETING ORDERS



Revised to July 1, 1948

The attached are inserts to be substituted for the corresponding pages in the Summaries of Fluid Milk Marketing Orders, April 1, 1948. These inserts revise the summaries in accordance with the provisions of the Federal orders as effective on July 1, 1948.

Boston, Massachusetts

Marketing Area:

Boston and 36 cities and towns in the metropolitan area.

Handler:

Person who, in a given month, operates a pool plant or engages in the handling of milk or other fluid milk products which are received at plants from which fluid milk products are disposed of, directly or indirectly, in the marketing area. A plant is a pool plant under specified conditions relating to the proportion of dairy farmers delivering to the plant who hold certificates of health approval, the proportion of the handler's Class I milk which is disposed of in the marketing area, the holding of a license by the handler under Chapter 94, Section 40 of the Massachusetts General Laws. Conditions are also set forth by which a pool plant may lose such designation.

Producer:

A dairy farmer, except a "dairy farmer for other markets" and a "segregated dairy farmer" whose milk is delivered from his farm to a pool plant. Under specified conditions this definition also includes a dairy farmer who ordinarily delivers to a handler's pool plant but whose milk is diverted to a handler's non-pool plant. "Segregated dairy farmers" are farmers whose milk is kept separate, in the plant where it is received, from milk handled as pool milk for the marketing area. A "dairy farmer for other markets" is a farmer whose milk is received at a pool plant during April, May, June, and July but whose milk was received at a non-pool plant of the handler or the handler's affiliate on more than three days in any of the preceding months of August through March.

Classification:

Class I - All milk and milk products, the utilization of which is not established as Class II.

Class II - All milk and milk products established as sold, distributed or disposed of as other than milk, or as other than flavored milk, flavored skim milk, buttermilk, and cultured skim milk for human consumption; and plant shrinkage not in excess of 2 per cent of the volume handled.

Class Prices (3.7 per cent butterfat, f.o.b. 201-210-mile zone):Class I - Compute a "formula index" as follows:

- (a) Determine latest Bureau of Labor Statistics monthly wholesale price index (1926 equals 100), and divide by 0.98;
- (b) Compute the sum of the three latest monthly indexes of department store sales in the Boston Federal Reserve District, adjusted for seasonal variations (1935-1939 equals 100); divide such sum by 3.78;
- (c) Compute the sum of:
 - (1) Simple average of the four latest weekly average retail prices per ton of dairy ration in the Boston milkshed as reported by the United States Department of Agriculture; divide such average by 0.5044 and multiply by 0.6, and
 - (2) The weighted average monthly composite farm wage rates for latest available month for Maine, Massachusetts, New Hampshire and Vermont as reported by the United States Department of Agriculture; divide by 0.5952 and multiply by 0.4. To compute weighted average, the respective States are weighted as follows: Maine 10, Massachusetts 6, New Hampshire 7, Vermont 77.

Compute the sum of (a), (b) and (c), divide the sum so computed by 3 and round fractions to nearest whole number (this is the "formula index").

Class I price is determined by applying "formula index" to the following table:

CLASS I PRICE SCHEDULE

Formula Index	Class I price per hundredweight		
	Jan.-Feb.- Mar.-July- Aug.-Sept.	Apr.- May- June	Oct.- Nov.- Dec.
50-56.....	\$1.69	\$1.25	\$2.13
57-63.....	1.91	1.47	2.35
64-70.....	2.13	1.69	2.57
71-77.....	2.35	1.91	2.79
78-84.....	2.57	2.13	3.01
85-90.....	2.79	2.35	3.23
91-97.....	3.01	2.57	3.45
98-104.....	3.23	2.79	3.67
105-111.....	3.45	3.01	3.89
112-118.....	3.67	3.23	4.11
119-125.....	3.89	3.45	4.33
126-132.....	4.11	3.67	4.55
133-139.....	4.33	3.89	4.77
140-146.....	4.55	4.11	4.99
147-152.....	4.77	4.33	5.21
153-159.....	4.99	4.55	5.43
160-166.....	5.21	4.77	5.65
167-173.....	5.43	4.99	5.87
174-180.....	5.65	5.21	6.09
181-187.....	5.87	5.43	6.31
188-194.....	6.09	5.65	6.53

(For "formula index" values of more than 194, the price increases at the rate for the highest six brackets.)

The prices determined above are subject to the following provisions:

- (a) For any month after December 1948, if the percentage of Class II milk in the Boston pool during the 12 month period ending with the second preceding month is less than 33 per cent, the price shall be 44 cents more than the price otherwise applicable, and if the percentage of Class II milk during such period is more than 41 per cent, the price shall be 44 cents less than would otherwise be applicable. This provision, however, may not result in a price which is more than 88 cents higher or 88 cents lower than the price for the same month in the preceding year.

- (b) The price for any of the months of March through June shall not be higher, and the price for any of the months of September through December shall not be lower, than the price for the preceding month.

Class II - Price per 40-quart can of Boston 40 per cent cream, divided by 33.48 (use Chicago 92-score butter, times 1.4 if no cream price is available), times 3.7, minus 27 cents, plus an allowance for skim milk value.

The allowance for skim milk value is any plus amount arrived at as follows:

- (1) Compute the average of U.S.D.A. quotations at New York of carlots per pound of nonfat roller powder for human consumption and the average of carlots per pound of nonfat roller powder for animal feed;
- (2) Multiply each such average quotation by the applicable percentage indicated for the delivery period in the following table and total the results:

<u>Delivery Period</u>	<u>Human Food Products</u>	<u>Animal Food Products</u>
January	100	0
February	100	0
March	50	50
April	50	50
May	25	75
June	25	75
July	50	50
August	75	25
September	75	25
October	100	0
November	100	0
December	100	0

- (3) Subtract 4 cents; and
- (4) Multiply the remainder by 7.5.

During the months of April, May, June, and July, a special allowance is made such that each pound of butterfat used in making salted butter and cheese is priced at 92-score butter at New York minus 5 cents, times 1.2.

Butterfat Differentials:

Class Prices - No specific butterfat differential is expressly stated for class prices. The computation of the butter-cheese adjustment, however, may result in a different value for differential butterfat for those uses from that applied to the producer price.

Producer Price - Boston 40 per cent cream price per 40-quart can for the period from the 16th day of the preceding month to the 15th day of the current month divided by 33.48 (use Chicago 92-score butter for the same period times 1.4 if no cream price is available), minus 1.5 cents, divided by 10.

Location Differentials:

Class Prices - The following is an abbreviated table of differentials in effect on August 1, 1947. The Class I differentials are subject to change if rail tariffs change:

<u>Zone</u> <u>(Miles)</u>	<u>Class I</u> <u>(cents per cwt.)</u>	<u>Class II</u> <u>(cents per cwt.)</u>
City Plant	/ 46	/ 29
51 - 60	/ 11	/ 5
101 - 110	/ 8.5	/ 1.5
151 - 160	/ 3	/ 0.5
201 - 210	0	0
251 - 260	- 5.5	- 0.5
301 - 310	- 11	- 1
351 - 360	- 12.5	- 1.5
391 and over	- 13	- 1.5

Producer Price - Graduated in the same manner as Class I except that producers located within 40 miles of Boston receive premium of 46 cents and producers located in 40 - 80 mile zone receive premium of 23 cents (in neither case may producer price exceed the Class I price).

Handlers may deduct 10 cents where milk is delivered to a city plant located outside the marketing area, and more than 14 miles from Boston.

Handlers may also deduct 4 cents at plants beyond 40 miles at which average daily receipts are between 8,500 and 17,000 pounds; 8 cents where average receipts are less than 8,500 pounds.

Method of Accounting for Milk:

Weight of milk or fluid milk product used in the products of each class.

For purposes of assigning transportation differentials, a handler's Class I milk is considered as being that delivered first at the city plant and then from the nearest country plant from which fluid milk is delivered.

Type of Pool:

Market-wide, monthly pool without base rating plan or new producer clause. Provision is made for charging interest at the rate of $1/2$ of 1 per cent per month on accounts due to or payable from the producer-settlement fund which remain unpaid after specified dates.

Interhandler Transfers:

Milk, flavored milk, skim milk, cultured or flavored skim milk, or buttermilk moved to another regulated plant is classified in accordance with its utilization at the plant to which it is moved.

Outside Purchases:

Receipts of milk from unregulated plants are classified as Class II milk without regard to specific use except as follows:

- (1) Skim milk received from producer-handlers is classified in accordance with established utilization.
- (2) Receipts of fluid milk products other than cream from New York pool plants are classified as follows:

During the months of April through July, as Class II milk;

During other months of the year, receipts of milk and flavored milk from such sources are classified as Class I milk, when classified as Class I-A, I-B, or I-C under the New York order or as Class II milk if specific use in Class II is established.

Receipts of skim milk, cultured or flavored skim milk or buttermilk are classified as Class II milk except that the quantity thereof may not exceed the quantity of Class II milk at such plant.

- (3) Emergency milk received by a handler whose Class II milk is in excess of 10 per cent of his total volume (other than cream), is assigned to Class II to the extent of the excess over 10 per cent. If specific utilization in Class II is established for a greater quantity of emergency milk, the greater quantity is assigned to Class II.

Receipts of cream and milk products other than fluid milk are classified as Class II.

Outside Sales:

Milk, flavored milk, skim milk, cultured or flavored skim milk or buttermilk moved to an unregulated plant is classified as Class I up to the total quantity of milk which is utilized as Class I at the unregulated plant. If moved to a regulated plant of a non-handler or to an unregulated plant and then to another unregulated plant, it is classified as Class I. Outside sales of Class I milk are priced the same as for sales of Class I milk in the marketing area.

Producer-Handler:

A person who is both a handler and a dairy farmer and who receives milk of his own production only from farms located within 80 miles of Boston. Such a handler may receive milk from other producer-handlers or from segregated dairy farmers. Such handlers are required to furnish reports as to their receipts and utilization of fluid milk products.

Expense of Administration:

Handlers pay the pro rata expense of administration at a rate not in excess of $2\frac{1}{2}$ cents per hundredweight on milk received from producers and on outside milk.

Special Producer Provisions:

Deductions, as certified to by cooperatives, are turned over to associations. No marketing service charge is deducted for non-members.

Qualified cooperatives receive 1¢ per hundredweight on milk of members delivered to a handler's plant. On all milk received at their own plants, cooperatives receive 2¢ per hundredweight.

Handlers are required to furnish statements to producers detailing each payment made for milk received from such producers.

Special Handler Provisions:

Handlers who operate unregulated plants from which milk is disposed of to consumers in the marketing area without intermediate movement to another plant are required to make payments to the market administrator for general distribution to producers equivalent to the difference between the Class I price and the Class II price on the quantity of milk so disposed of. A similar payment is required on receipts of outside milk which are in excess of a handler's total use of Class II milk (after deducting receipts of cream).

By the 10th day of each month, handlers are required to make a payment on account to producers for approximately the value of milk received during the first 15 days of the preceding month. Such payments may not be at a rate which is less than the Class II price.

Defiance Milk Products Company,	Defiance, Ohio
Pet Milk Company,	Angola, Indiana
Pet Milk Company,	Garrett, Indiana
Kraft-Phenix Cheese Corp.,	Kendallville, Indiana

- (2) Price per pound of Chicago 92-score butter, times 6, plus 2.4 times the average price per pound of Plymouth Twins (or Cheddars), divided by 7, times 1.3, times 4.
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 4, plus an amount computed as follows:
Average price per pound of nonfat dry milk solids
(carlots, spray and roller process, human consumption, f.o.b. manufacturing plants in Chicago area), minus 5.5 cents, times 8.5, times .96.

Class I - Basic formula price plus: 60 cents during April through June; 90 cents during October through December; 75 cents during all other months; and 90 cents during July, August, and September 1948.

Class II - Basic formula price plus: 35 cents during April through June; 65 cents during October through December; 50 cents during all other months; and 65 cents during July, August and September 1948.

Class III - Same as basic formula price.

Butterfat Differentials:

Class I - Price per pound of Chicago 92-score butter, times 1.3, divided by 10.

Class II - Price per pound of Chicago 92-score butter, times 1.25, divided by 10.

Class III - Price per pound of Chicago 92-score butter, times 1.15, divided by 10.

Producer Price - Price per pound of Chicago 92-score butter, times 1.15, divided by 10.

Location Differentials:

None.

Method of Accounting for Milk:

Weights of butterfat and skim milk are computed separately as used in each class.

THE UNIVERSITY OF CHICAGO
DIVISION OF THE PHYSICAL SCIENCES
DEPARTMENT OF CHEMISTRY

REPORT OF THE
COMMISSIONER OF THE GENERAL LAND OFFICE
FOR THE YEAR 1898

AND
OF THE
LANDS AND MINES
COMMISSIONER

FOR THE YEAR
1898

AND
OF THE
LANDS AND MINES
COMMISSIONER

FOR THE YEAR
1898

AND
OF THE
LANDS AND MINES
COMMISSIONER

FOR THE YEAR
1898

AND
OF THE
LANDS AND MINES
COMMISSIONER

FOR THE YEAR
1898

AND
OF THE
LANDS AND MINES
COMMISSIONER